

# EXHIBIT 1

**RSM McGladrey Inc.**  
**Billing Hours/Rates for Services Rendered January 1, 2007 through January 25, 2008**  
**In Re: KL Industries Inc. Chapter 11 Case #06-04882**  
**Summary by RSM professional by time and billing rate**

<b>Name</b>	<b>Title</b>	<b>Hours</b>	<b>Rate</b>	<b>Total</b>
M. Bloom	Managing Director	2.2	\$450	\$990.00
M. Hirsh	Managing Director	1.0	\$445	\$445.00
J. Meyer	Managing Director	4.0	\$499	\$1,997.50
B. Holmes	Director	20.1	\$275	\$5,527.50
P. Gannon	Director	3.5	\$360	\$1,258.50
D. Wolford	Manager	15.5	\$226	\$3,502.50
A. King	Senior Associate	18.6	\$192	\$3,574.00
S. Nazar	Senior Associate	1.8	\$192	\$346.00
W. Tse	Associate	14.1	\$190	\$2,684.20
S. Roy	Paralegal	9.8	\$110	\$1,078.00
<b>Total</b>		<b>90.6</b>	<b>\$236</b>	<b>\$21,403.20</b>

# EXHIBIT 2

**RSM McGladrey Inc.**  
**Billing Hours/Rates for Services Rendered January 1, 2007 through January 25, 2008**  
**In Re: KL Industries Inc. Chapter 11 Case #06-04882**  
**Summary organized by task**

US Trustee Task Code	Project Category	Hours	Average Rate	Total
K13	Case Administration	8.8	\$116	\$1,017.50
K16	Fee/Employment Apps	22.6	\$214	\$4,844.00
K23	Accounting/Auditing	33.6	\$246	\$8,265.50
K29	Tax Issues	25.6	\$284	\$7,276.20
<b>Total</b>		<b>90.6</b>	<b>\$236</b>	<b>\$21,403.20</b>

Exhibit 2

# EXHIBIT 3

RSM McGladrey Inc.  
Billing Hours/Rates for Services Rendered January 1, 2007 through January 25, 2008  
In Re: KL Industries Inc. Chapter 11 Case #06-04882  
Detailed listing organized by task

Date	Name	Narrative	Hours	Rate	Amount
<b>K13 - Case Administration</b>					
1/16/2007	Roy, Susan	File operating report with Court	1.0	\$110	\$110.00
2/21/2007	Roy, Susan	File operating report with Court	1.2	\$110	\$132.00
3/5/2007	Holmes, Brian	Review motions filed in bankruptcy court	0.3	\$275	\$82.50
3/28/2007	Roy, Susan	Search for documents on Pacer	1.0	\$110	\$110.00
4/2/2007	Roy, Susan	File monthly operating report	1.0	\$110	\$110.00
4/16/2007	Roy, Susan	File operating report with Court	1.0	\$110	\$110.00
4/17/2007	Roy, Susan	File operating report with Court	0.3	\$110	\$33.00
5/22/2007	Roy, Susan	File operating report with Court	1.0	\$110	\$110.00
7/16/2007	Roy, Susan	File operating report with Court	1.0	\$110	\$110.00
8/15/2007	Roy, Susan	File operating report with Court	1.0	\$110	\$110.00
<b>Subtotal</b>			<b>8.8</b>		<b>\$1,017.50</b>

<b>K16 - Fee Application</b>					
1/10/2007	Holmes, Brian	Assemble data for second fee application (1.5 hrs)	1.5	\$275	\$412.50
1/10/2007	King, Alex	Work on second interim fee application	2.2	\$190	\$418.00
1/11/2007	Holmes, Brian	Work on second fee application;	0.9	\$275	\$247.50
1/11/2007	King, Alex	Work on second interim fee application	3.9	\$190	\$741.00
1/12/2007	King, Alex	Work on second interim fee application	4.2	\$190	\$798.00
1/22/2007	King, Alex	Report back to KL Industries regarding billing discrepancy	0.3	\$190	\$57.00
3/22/2007	Holmes, Brian	Address outstanding accounts receivable issues	0.3	\$275	\$82.50
3/26/2007	Holmes, Brian	Research billing and accounts receivable issues regarding pension group work	0.3	\$275	\$82.50
1/14/2008	King, Alex	Prepare final fee application	1.6	\$195	\$312.00
1/15/2008	King, Alex	Prepare final fee application	0.8	\$195	\$156.00
1/17/2008	King, Alex	Prepare final fee application	4.7	\$195	\$916.50
1/21/2008	King, Alex	Prepare final fee application	0.9	\$195	\$175.50
1/25/2008	Hirsh, Mitchell	Review final fee application	1.0	\$445	\$445.00
<b>Subtotal</b>			<b>22.6</b>		<b>\$4,844.00</b>

<b>K23 - Accounting/Auditing</b>					
1/8/2007	Holmes, Brian	Compile data for monthly operating report	0.4	\$275	\$110.00
1/9/2007	Holmes, Brian	Work on monthly operating report	1.4	\$275	\$385.00
1/10/2007	Holmes, Brian	Work on monthly operating report for December 2006	2.2	\$275	\$605.00
1/16/2007	Holmes, Brian	Compile December monthly operating report	5.8	\$275	\$1,585.00
2/15/2007	Holmes, Brian	Discuss data required for monthly operating report	0.5	\$275	\$137.50
2/16/2007	Holmes, Brian	Work on monthly operating report	0.5	\$275	\$137.50
2/16/2007	Wolford, Danielle	Prepare monthly operating report	1.5	\$225	\$337.50
2/19/2007	Holmes, Brian	Forward monthly operating report to G. Wilhite and discuss issues with G. Wilhite	0.3	\$275	\$82.50
2/20/2007	Holmes, Brian	Finalize monthly operating report	0.7	\$275	\$192.50
2/22/2007	Holmes, Brian	Process filed monthly operating report	0.3	\$275	\$82.50
3/12/2007	Holmes, Brian	Request cash flow data	0.2	\$275	\$55.00
3/14/2007	Holmes, Brian	Work on monthly operating report	0.4	\$275	\$110.00
3/14/2007	Wolford, Danielle	Work on February monthly operating report	0.5	\$225	\$112.50
3/15/2007	Roy, Susan	Work on miscellaneous issues relating to operating report	0.5	\$110	\$55.00
3/16/2007	Roy, Susan	Work on miscellaneous issues relating to operating report	0.5	\$110	\$55.00
3/20/2007	Holmes, Brian	Address cash issues with monthly operating report	0.7	\$275	\$192.50
3/20/2007	Wolford, Danielle	Update operating reports for December 2006 through February 2007	2.5	\$225	\$562.50
3/21/2007	Holmes, Brian	Assist in preparation and review of monthly operating reports for December 2006 through February 2007	0.9	\$275	\$247.50
3/21/2007	Wolford, Danielle	Reconcile and update monthly operating reports, review files sent by JD Norman	3.5	\$225	\$787.50
3/22/2007	Holmes, Brian	Address issues with monthly operating report	0.3	\$275	\$82.50
3/22/2007	Wolford, Danielle	Reconcile and update monthly operating reports, review files sent by JD Norman	4.0	\$225	\$900.00
3/23/2007	Wolford, Danielle	Review and analyze new check register file sent by JD Norman to reconcile to bank	1.0	\$225	\$225.00
3/26/2007	Holmes, Brian	Review revised monthly operating reports	0.5	\$275	\$137.50
3/27/2007	Holmes, Brian	Review monthly operating reports based on new data provided by Debtor	0.3	\$275	\$82.50
3/27/2007	Wolford, Danielle	Obtain additional information and review, reconcile and update monthly operating reports for December 2006 through February 2007	1.0	\$225	\$225.00
4/10/2007	Holmes, Brian	Review March monthly operating report	0.3	\$275	\$82.50
5/10/2007	Holmes, Brian	Review monthly operating report	0.5	\$275	\$137.50
6/15/2007	Holmes, Brian	Process monthly operating report for filing	0.2	\$275	\$55.00
6/15/2007	Wolford, Danielle	File May monthly operating report with the bankruptcy courts	0.5	\$225	\$112.50
7/11/2007	Holmes, Brian	Review monthly operating report and prepare for filing	0.3	\$275	\$82.50
8/16/2007	Roy, Susan	E-mail and telephone call to Trustee regarding operating report	0.3	\$110	\$33.00
9/17/2007	Wolford, Danielle	Review and submit August monthly operating report	1.0	\$240	\$240.00
<b>Subtotal</b>			<b>33.6</b>		<b>\$8,265.50</b>

**K29: Tax Issues**

1/29/2007	Bloom, Mark	Close 12/31/06 books, tax returns and 1099S	0.4	\$450	\$180.00
1/19/2007	Bloom, Mark	Work on State of South Carolina return	0.3	\$450	\$135.00
1/24/2007	Bloom, Mark	Attend to 2006 closing and state matters	0.8	\$450	\$270.00
1/25/2007	Tse, Winey	Fill out South Carolina Account Closing Form	0.5	\$184	\$92.00
1/31/2007	Tse, Winey	Teleconference with South Carolina Secretary of State to inquire about what forms need to be filed to close the business and pull up the forms on the Internet	0.8	\$184	\$147.20
2/1/2007	Bloom, Mark	Conference with G. White and M. Levante regarding 12/31/06 tax work, review of 2005 tax return	0.9	\$450	\$405.00
2/9/2007	Tse, Winey	Pulled up permanent file to look up state incorporated and date transacted business in SC. Filled out SC Application for Surrender of Authority to Do Business form	0.5	\$184	\$92.00
10/30/2007	Sylvia Nazar	Discuss tax preparation with W. Tse	0.5	\$190	\$95.00
11/1/2007	Winey Tse	Enter information into tax software	1.0	\$190	\$190.00
11/2/2007	Winey Tse	Enter information into tax software	3.2	\$190	\$608.00
11/7/2007	Winey Tse	Enter information into tax software	2.0	\$190	\$380.00
11/8/2007	Winey Tse	Enter information into tax software, perform review of entered information, make corrections as needed	4.5	\$190	\$855.00
11/13/2007	Sylvia Nazar	Review tax information entered	0.3	\$190	\$57.00
11/20/2007	Phyllis Gannon	Resolve questions regarding tax information	0.5	\$345	\$172.50
11/20/2007	Sylvia Nazar	Discuss tax issues with the client	0.5	\$190	\$95.00
12/6/2007	Sylvia Nazar	Discuss tax issues with client's accountant	0.1	\$190	\$19.00
12/11/2007	Joel Meyer	Review Michigan State tax return	1.0	\$490	\$490.00
12/14/2007	Joel Meyer	Review tax information entered	1.0	\$490	\$490.00
12/27/2007	Joel Meyer	Review tax return	0.5	\$490	\$245.00
1/3/2008	Joel Meyer	Review tax information entered	0.5	\$515	\$257.50
1/7/2008	Phyllis Gannon	Prepare budget and prior year recap	1.0	\$362	\$362.00
1/8/2008	Phyllis Gannon	Prepare budget and prior year recap	0.5	\$362	\$181.00
1/9/2008	Phyllis Gannon	Enter 2006 tax information	1.5	\$362	\$543.00
1/9/2008	Joel Meyer	Address tax information and Michigan state tax return questions	1.0	\$515	\$515.00
1/16/2008	Winey Tse	Prepare client information request list for 2006 return preparation	1.6	\$200	\$320.00
1/16/2008	Sylvia Nazar	Discuss open items with W. Tse	0.4	\$200	\$80.00
<b>Subtotal</b>			<b>25.8</b>		<b>\$7,276.20</b>
<b>Grand Total</b>			<b>90.6</b>		<b>\$21,403.20</b>

# EXHIBIT 4



**UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

**In re**

**KL INDUSTRIES, INC.,**

**Debtor.**

**Chapter 11**

**Case No. 06-4882**

**Honorable Carol A. Doyle**

**Hearing Date: March 20, 2008**

**Hearing Time: 10:30 a.m.**

**NOTICE CONCERNING DEBTORS' MOTION  
TO DISMISS CASE AND RELATED RELIEF**

**PLEASE TAKE NOTICE** that on or about February 20, 2008, KL Industries, Inc., debtor herein (the "Debtor"), filed a motion (the "Motion to Dismiss") to voluntarily dismiss its bankruptcy case (the "Case") in the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division (the "Court").

**PLEASE TAKE FURTHER NOTICE** that by its Motion to Dismiss, the Debtor has requested the Court enter an Order

- (i) Dismissing the Case;
- (ii) Altering the effects of dismissal and deeming 11 U.S.C. § 349(b)(1)-(3) inapplicable to the dismissal of the Case;
- (iii) Retaining jurisdiction over matters affecting the administration of the Debtor's estate and the relief requested in the Motion to Dismiss; or
- (iv) In the alternative, authorizing the Debtor to pay the allowed Administrative Claims<sup>1</sup> and Professional Fees and converting the Case to chapter 7.

**PLEASE TAKE FURTHER NOTICE** that by its Motion to Dismiss<sup>2</sup>, the Debtor has requested the Court authorize the Debtor to distribute the Debtor's Remaining Assets as follows:

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<sup>1</sup> Capitalized terms not defined herein shall have the meanings ascribed to them in the Motion to Dismiss.

<sup>2</sup> Copies of the Motion to Dismiss and the Exhibits referenced herein are available from the undersigned counsel upon reasonable request.

- (i) First, to payment in full of all allowed Administrative Claims and Professional Fees;
- (ii) Second, to payment of certain post-dismissal Final Budget items totaling \$64,000, as provided on Exhibit A to the Motion to Dismiss; and
- (iii) Third, on a pro rata basis to the Benefits Claimants, but only to the extent provided on Exhibit D to the Motion to Dismiss.

**PLEASE TAKE FURTHER NOTICE** that upon completion of the distributions as contemplated in the Motion to Dismiss, none of the Remaining Assets will be retained by the Debtor or its principals.

**PLEASE TAKE FURTHER NOTICE** that on February 20, 2008, the Debtors filed a Motion (the "503(b) Motion") with the Court requesting the entry of an order pursuant to 11 U.S.C. §§ 503(b) allowing and authorizing the Debtor's payment of the Administrative Claims in the total amount of \$338,230.83.

**PLEASE TAKE FURTHER NOTICE** that in connection with the Motion to Dismiss, the following final professional fee applications (the "Final Fee Applications") were filed with the Court:

- (i) Final Application of Shaw Gussis Fishman Glantz Wolfson & Towbin LLC ("Shaw Gussis"), as Counsel for the Chapter 11 Debtor, for Final Allowance of Compensation and Reimbursement of Expenses, (the "Shaw Gussis Final Application"); and
- (ii) Final Application of Winston & Strawn LLP ("Winston") as Counsel for the Official Committee of Unsecured Creditors for Final Allowance of Compensation and Reimbursement of Expenses (the "Winston Final Application"); and
- (iii) Final Application of RSM McGladrey Inc. ("RSM") as Financial Advisors for the Debtor, for Final Allowance of Compensation and Reimbursement of Expenses (the "RSM Final Application").

**PLEASE TAKE FURTHER NOTICE** that, through the Shaw Gussis Final Application, Shaw Gussis seeks, for the period of January 1, 2007 through March 20, 2008, approval and allowance of compensation of fees in the amount of \$116,250.67 and the reimbursement of actual and necessary expenses in the amount of \$4,887.86, for a total amount of \$121,138.53. In addition, Shaw Gussis seeks the final allowance of all hourly fees and expenses previously allowed by the Court on an interim basis in the total amount of \$385,164.29.

**PLEASE TAKE FURTHER NOTICE** that, through the Winston Final Application, Winston seeks, for the period of January 1, 2007 through December 31, 2008, final approval and allowance of compensation in the amount of \$14,274.00 and the reimbursement of actual and necessary expenses in the amount of \$171.08 for a total amount of \$14,445.08; and for the period of January 1, 2008 through March 20, 2008, Winston seeks final approval and

allowance of compensation in an amount not in excess of \$10,000.00 and reimbursement of actual and necessary expenses in an amount not in excess of \$1,000.00. In addition, Winston seeks final allowance of all fees and expenses previously allowed by the Court on an interim basis in the total amount of \$134,151.14.

**PLEASE TAKE FURTHER NOTICE** that, through the RSM Final Application, RSM seeks, for the period of January 1, 2007 through January 25, 2008, approval and allowance of compensation of fees in the amount of \$21,403.20 and the reimbursement of actual and necessary expenses in the amount of \$0.00, for a total amount of \$21,403.20. In addition, RSM seeks the final allowance of all fees and expenses previously allowed by the Court on an interim basis in the total amount of \$190,737.80.

**PLEASE TAKE FURTHER NOTICE** that a hearing on the Motion to Dismiss, the 503(b) Motion and the Final Fee Applications is scheduled for **March 20, 2008 at 10:30 a.m.** (the "Final Hearing").

**PLEASE TAKE FURTHER NOTICE** that objections to the relief sought in the Motion to Dismiss, the 503(b) Motion or the Final Fee Applications, if any, should be made in writing, filed with the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division, 219 South Dearborn, Chicago, Illinois 60604, and served upon the following parties **on or before March 10, 2007 at 4:00 p.m. (prevailing Central Time)**: (i) Shaw Gussis Fishman Glantz Wolfson & Towbin LLC, 321 N. Clark St., Suite 800, Chicago, IL 60610, Attn: Patrick A. Clisham; (ii) Winston & Strawn, LLP, 35 W. Wacker Dr., Chicago, IL 60601, Attn: Mindy D. Cohn; and (iii) Office of the United States Trustee, 227 W. Monroe St., Suite 3360, Chicago, IL 60606, Attn: Cameron Gulden.

KL Industries, Inc.

Dated: February 20, 2008

By: /s/ Patrick A. Clisham  
One of its attorneys

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